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105TH CONGRESS
1ST SESSION

H. R. 894

To amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1997

Mr. TOWNS (for himself and Mrs. JOHNSON of Connecticut) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Physician Assistant
5 Incentive Act of 1997".

1 **SEC. 2. INCREASED MEDICARE REIMBURSEMENT FOR PHY-**
2 **SICIAN ASSISTANTS.**

3 (a) REMOVAL OF RESTRICTION ON SETTINGS.—Sec-
4 tion 1861(s)(2)(K)(i) of the Social Security Act (42
5 U.S.C. 1395x(s)(2)(K)(i)) is amended by striking “(I) in
6 a hospital” and all that follows through “shortage area.”.

7 (b) INCREASED PAYMENT.—Section 1842(b)(12) of
8 such Act (42 U.S.C. 1395u(b)(12)) is amended—

9 (1) in the matter preceding clause (i) of sub-
10 paragraph (A), by striking “clauses” and all that
11 follows through “practitioners)” and inserting
12 “clause (ii) of section 1861(s)(2)(K) (relating to
13 nurse practitioners), and clause (iv) of such section
14 insofar as it relates to clause (ii) of such section”;
15 and

16 (2) by adding at the end the following new sub-
17 paragraph:

18 “(C) With respect to services described in clause (i)
19 of section 1861(s)(2)(K) (relating to physician assistants),
20 and clause (iv) of such section insofar as it relates to
21 clause (i) of such section—

22 “(i) payment under this part may only be made
23 on an assignment-related basis; and

24 “(ii) the amounts paid under this part shall be
25 equal to 80 percent of (I) the lesser of the actual
26 charge or 85 percent of the fee schedule amount

1 provided under section 1848 for the same service
2 provided by a physician who is not a specialist; or
3 (II) in the case of services as an assistant at sur-
4 gery, the lesser of the actual charge or 85 percent
5 of the amount that would otherwise be recognized if
6 performed by a physician who is serving as an as-
7 sistant at surgery.”.

8 (c) BONUS PAYMENT FOR SERVICES PROVIDED IN
9 HEALTH PROFESSIONAL SHORTAGE AREAS.—Section
10 1833(m) of such Act (42 U.S.C. 1395l(m)) is amended—

11 (1) by inserting “(1)” after “(m)”; and

12 (2) by adding at the end the following new
13 paragraph:

14 “(2) In the case of services of a physician as-
15 sistant furnished to an individual described in para-
16 graph (1) in an area that is a health professional
17 shortage area described in such paragraph, in addi-
18 tion to the amount otherwise paid under this part,
19 there shall also be paid to such physician assistant
20 (or to an employer in the cases described in subpara-
21 graph (C) of section 1842(b)(6)) (on a monthly or
22 quarterly basis) from the Federal Supplementary
23 Medical Insurance Trust Fund an amount equal to
24 10 percent of the payment amount for the service
25 under this part.”.



1 (d) REMOVAL OF RESTRICTION ON EMPLOYMENT
2 RELATIONSHIP.—Section 1842(b)(6) of such Act (42
3 U.S.C. 1395u(b)(6)) is amended by adding at the end the
4 following new sentence: “For purposes of clause (C) of the
5 first sentence of this paragraph, an employment relation-
6 ship may include any independent contractor arrange-
7 ment, and employer status shall be determined in accord-
8 ance with the law of the State in which the services de-
9 scribed in such clause are performed.”.

10 (e) EFFECTIVE DATE.—The amendments made by
11 this section shall apply with respect to services furnished
12 and supplies provided on and after January 1, 1998.

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